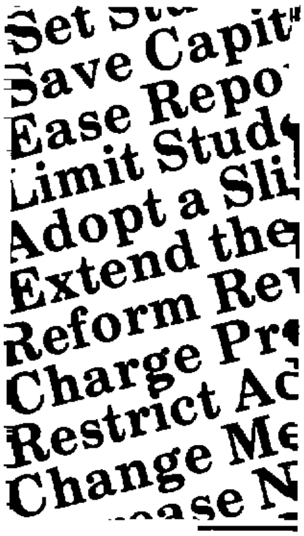

ANALYSES OF OPTIONS AND ALTERNATIVES FOR CALIFORNIA HIGHER EDUCATION

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

MARCH 1992 COMMISSION REPORT 92-7

Summary

In light of the State's current fiscal constraints, a number of parties have suggested options and alternatives to help the State's public higher education systems deal with their financial needs Some of those alternatives are not desirable in terms of the State's policies for higher education, but given the fiscal situation facing the State and its public colleges and universities, they require examination To serve the State and its higher education institutions, the Commission's staff has prepared brief analyses of 15 options, indicating their likely consequences -- both positive and negative -- if they were to be implemented

The Commission's Ad Hoc Committee on Student Fees, Financial Aid, and the State Budget discussed a draft of these analyses at its meeting on March 10, and the full Commission discussed this version at its meeting on March 29-30

The Ad Hoc Committee directed the staff to continue to study the eight most immediate short-term options discussed on pages 3-34 over the next month, since many of those options are contained in proposed legislation, and then to analyze more fully the seven long-term options describe on pp. 35-56 as part of its on-going study of future financing for California higher education. As a result, staff plans to expand this present set of analyses into the summer

Additional copies of this document may be obtained from the Publications Office of the Commission at (916) 324-4992.

ANALYSES OF OPTIONS AND ALTERNATIVES FOR CALIFORNIA HIGHER EDUCATION

Comments by the Staff of the California Postsecondary Education Commission on Current Proposals for Change in California's Public Colleges and Universities

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
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COMMISSION REPORT 92-7
PUBLISHED MARCH 1992

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Contents

Preface

The California Postsecondary Education Commission and California's three public systems of higher education -- the California Community Colleges, the California State University, and the University of California -- remain committed to the goals of the State's Master Plan for Higher Education, which include (1) providing access to some system of higher education for all citizens, and (2) providing citizens with quality higher education programs and offerings.

However, in light of the State's current fiscal constraints, the State is unable to provide the resources necessary for California's public colleges and universities to continue to meet these goals. California's public higher education systems have documented this problem in their preliminary "funding gap" reports that they have prepared in response to Supplemental Language to the 1991-92 State Budget and that they have submitted to the Commission, the Governor, and the Legislature

As a result, a number of parties have suggested options and/or alternatives to help the State's public higher education systems deal with this fiscal crisis. Some of these alternatives are not desirable, but given the fiscal situation facing the State and its public higher education institutions, they require examination. To serve the State and its colleges and universities, the Commission staff has prepared brief analyses of these suggested options, indicating their likely consequences -- both positive and negative -- if they were to be implemented.

The Commission staff recognizes that many of the suggested options would have direct negative effects on either the quality of California's higher education programs or on student access to its public higher education institutions -- both of which would force the State further away from meeting the goals of its Master Plan for Higher Education. In light of these potential effects, the Commission staff suggests that as individuals consider these options, they pay particular attention to the likely impact that each of them would have on access and quality, and that, to the extent possible, they consider as viable alternatives only those options that have the least negative impact on either access or quality.

This document separates the options into two categories -- short-term and long-term. Commission staff will continue to discuss and study the short-term options over the next month, since many of these options are contained in proposed legislation. Commission staff will analyze more fully the long-term options as part of its on-going long-term study on the future financing of California higher education.

Limiting Student Fee Increases to Ten Percent

The proposed option

The University of California and the California State University should continue to abide by the State's existing student fee policy and limit systemwide student fee increases to 10 percent next year rather than the 24 percent or $550 increase proposed by the University and the 40 percent or $372 increase proposed by the State University.

Background on the option

Access to higher education is denied both by (1) not admitting students to a system, and (2) denying enrolled students the full opportunity to enroll in needed classes. This second form of access limitation -- inability to enroll in classes -- may be even worse than not admitting a student to the system since it creates a false hope for the student and, at the same time, the State is asking the student to pay more while receiving fewer services.

Although the State's long-term student fee policy calls for student fee increases not to exceed 10 percent in any given academic year, faced with continued increases in costs resulting from both enrollment growth and inflation as well as a proposed 1992-93 State Budget appropriation at about the same level received in 1991-92, the University of California and the California State University have proposed further increases in student fee levels. After providing additional funds to assist financially needy students with those proposed fee increases, the 24 percent fee increase at the University of California yields approximately $60 million in new net revenue, while the 40 percent increase at the State University yields about $80 million in new net fee revenue.

If the fee increases were limited to 10 percent rather than the proposed amounts, that 10 percent increase (after providing additional funds for financial aid) would generate about $25 million in new net fee revenue at the University of California and about $13 million in new net fee revenue at the State University. This reduction in proposed fee levels would mean that the University of California would generate about $35 million less than what it had proposed and the State University would have about $67 million less in fee revenue than it is proposing.

If the State is unable to provide the university systems with additional General Fund revenue to make up the difference between the systems' proposed fee increases and the 10 percent amount, what impact will this lack of revenue have on the systems operations?

Potential impact of the option at the California State University

The Governor's proposed budget provides the State University with a $23 million increase in State General Funds -- $17 million for 2,600 additional full-time-equivalent students, $1 million for increased dental costs for retired annuitants, and $5 million for General Obligation Bonds for asbestos abatement. That $23 million coupled with $13 million in net revenue from a 10 percent student fee increase means that the State University would have $36 million more to spend in 1992-93 than it has in the current year. To pay for contractual obligations including required bond payments as well as maintenance of new buildings that will be completed next year, the State University will need just about $36 million. Consequently, with a 10 percent increase in student fees and a $23 million increase in State General Fund support, the State University will not have funds available to pay for deferred maintenance, price increases, expanded equity programs, instructional equipment replacement, and increases in financial aid staffing. More importantly, it means that the State University will not be able to offer any more classes next year than what it offered this year -- about 5,000 fewer than offered in 1990-91.

As noted above, $17 million of the State University's proposed increase in State General Fund support is for the addition of 2,600 full-time-equivalent students. If the State University was forced to enroll the 2,600 students in order to receive the proposed $17 million increase, those additional students would be competing with current students for the already limited number of classes that are available, thus exacerbating the difficultly which students currently face in trying to enroll in classes which they need for graduation. A slightly more palatable situation would be for the State to continue to provide the State University with the $17 million in increased funding and not require it to enroll the additional students; however, that means that the State University for the second consecutive year would be unable to provide all qualified students with access to the system. The situation would be worsened if the State were to reduce the proposed $17 million augmentation, which would mean that the State University would be forced to make further reductions in its programs which ultimately means that even fewer classes than are presently taught would be available to students.

It is important to note that the State University's proposed State General Fund increase and its proposed 40 percent fee increase would not enable it to fund any merit salary increases for its faculty and staff If the State University is forced to pay such increases because of collective bargaining agreements, it will most likely come at the direct expense of having fewer classes offered at the State University.

One suggestion which has been made is that the State University use some $30 million in its lottery endowment in order to limit the size of the fee increase this year. While that may be an option, it is important to remember that it would be simply a one-time solution and, next year, the State and the State University will be faced with the problem of finding some new source of revenue to cover that $30 million gap. Furthermore, by leaving the $30 million in lottery funds in the endowment, it generates over $2 million in interest annually. Thus, rather than facing a $30 million gap next year, the gap will actually be one in excess of $32 million. Simply stated using the lottery endowment is not a long-term solution to the funding problem.

Even if the State University fee does increase by 40 percent, the State University will still be unable to fully met its Master Plan mission of serving all eligible students. Demographic projections estimate that the State University should be enrolling about 14,000 more full-time-equivalent students than it likely will enroll next year. Thus, the State University's revenue limitations have resulted in an "access gap" in that system that will continue again next year unless further additional revenues are available. To close that "access gap" and serve all eligible students, the State University would require over $50 million in additional revenue.

Finally, in examining the 40 percent fee increase proposed for next year at the State University, it is important to consider the impact that last year's 20 percent fee increase had on student access to the system. According to preliminary information, the State University indicates that of those students who did not enroll at the State University in Fall 1991 but were admitted or were expected to attend, the majority went on to attend other colleges and universities that were as expensive or more expensive, thus providing some indication that the fee increase did not prevent these students from enrolling. Last year, the State University's enrollment did decline, however, from the prior year by about 7,000 students. The data and other evidence available suggests that the lack of available classes and the publicity of it was a larger factor in turning students away from the system than was the fee increase itself

Potential impact of the option at the University of California

The University's lack of sufficient resources over the past two years has forced it to make many difficult decisions already For example, in light of insufficient revenue in 1990-91, the University was forced to take a number of actions to protect the quality of its instructional teaching programs from any reduction. Those actions included the following:

- Research, public service, and administration budgets were reduced by 5 percent;
- Faculty and staff received only a half year of a general salary increase;

- Staff received only a half year of merit salary increases, although faculty received a full-year increase; and

- Resident student fees were increased by 10 percent or $148 per year, while nonresident tuition was increased by 10 6 percent or $617 per year.

In 1991-92, the University faced a budgetary shortfall of approximately $312 million -- about 15 percent of its State-funded operating budget. To deal with that shortfall and protect the quality of its instructional programs, the University implemented several actions in 1991-92:

- University enrollments were scheduled to be reduced by 5,500 students, although from Fall 1990 to Fall 1991, the University's enrollments declined by only 300 students, which according to the University means that it is currently enrolling some 5,200 students for which the State is not providing funding;

- A second 5 percent reduction was made in research, public service, and administration budgets;

- Faculty and staff received no salary increases -- neither a general salary increase nor a merit salary increase;

- The University's workforce was permanently reduced by 1,700 employees, primarily through the Voluntary Early Retirement Incentive Program and attrition;

- Instructional equipment and deferred maintenance expenditures were reduced or deferred; and

- Resident student fees were increased again, this time by 40 percent or $650 per year, while nonresident tuition was increased again by 20 percent or $1,283 per year.

The University proposes that in 1992-93 its $31 million increase in State General Funds combined with the $60 million from the proposed 24 percent fee increase would enable it to fund: (1) faculty merit increases that were awarded in 1991-92 but were not funded in the 1991-92 budget nor paid to faculty ($17.0 million); (2) 1992-93 merit salary increases for faculty and staff ($22.4 million); (3) increased health benefit and Social Security costs for annuitants, and continued funding for 1991-92 health benefit cost increases for current employees ($12.5 million); (4) price increases ($10.2 million); (5) some instructional equipment replacement ($3.0 million); (6) payments on revenue bonds ($8.3 million); (7) maintenance of new space planned to come on line during 1992-93 ($3.5 million); and (8) 2,700 additional students -- 1,500 at the undergraduate level and 1,200 at the graduate level ($17.2 million).

However, the additional $91 million in revenue from the proposed fee increase and the increase in State General Funds will not enable the University to provide cost-of-living increases for its faculty or staff, will not enable it to provide any salary increases for its most senior executives, and requires the Office of the President to take an additional 10 percent reduction in its State General Fund support

Faced with approximately $35 million less in revenue, the University either would not be able to fund some of the above items or alternatively would have to take actions similar to those taken the prior two years. The University indicates, however, that it is unwilling to consider such actions again since it would mean reductions in the quality of its programs Thus, the University states that its only remaining alternative is to limit student access to the system.

In assessing the impact that another student fee increase would have on student access to the University, many individuals have asked what impact last year's 40 percent fee increase had on student access to that system. The University indicates that the 40 percent fee increase implemented last year had little negative impact on student access to the system. The University was able to continue the Master Plan goal of admitting all qualified students and it was able to provide all financially needy students with assistance in paying the higher fees, either through a full grant or a combination of a grant and a loan.

Comments, concerns, positions

California Postsecondary Education Commission: The Postsecondary Education Commission continues to support, as a general principle, the State's current long-term student fee policy for gradual, moderate, and predictable fee increases, limited to no more than 10 percent per academic year. However, in light of the fiscal circumstances currently facing the State, the Commission supports temporary suspension of the State's long-term student fee policy in order to enable California's public universities to generate some of the revenue needed to continue their commitment to ensuring student access and program quality. The current fiscal crisis is extraordinary and compelling and requires that a student fee increase beyond the 10 percent level be implemented in 1992-93 in the absence of additional General Fund resources Sufficient financial aid must be available to assist all needy students with any increase in student fees.

University of California: The University of California supports the proposed 24 percent fee increase for that system in order to enable it to continue to serve all eligible students and maintain the quality of the University's programs.

California State University: The California State University supports the proposed 40 percent fee increase for it so that it can restore the number of classes available to students and enable them to complete their degrees in a more timely fashion.

University of California Student Association: The University of California Student Association supports the State's existing student fee policy and limiting the fee increase to 10 percent.

California State Student Association: The California State Student Association continues to support limiting the student fee increase to 10 percent.

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Charging Baccalaureate and Higher Degree Holders the Full Cost of Instruction If They Re-enroll at the Same or a Lower Level

The proposed option

Charge students the full cost of instruction if they have a baccalaureate or higher degree and return to college to obtain instruction at the same or lower level for purposes other than job retraining.

Background on the option

Recognizing that California's limited financial resources need to be prioritized for most effective use, this proposal seeks to charge students a differential fee based on their previous level of academic attainment. For example, under this proposal, an individual who holds a bachelor's degree and subsequently enrolls in a community college for purposes other than job retraining would be charged the full cost of instruction.

Information from the Chancellor's Office of the California Community Colleges indicates that in 1986-87 -- the last year for which such data are available -- approximately 2.5 percent of the community colleges' full-time enrollment and 17.7 percent of their part-time enrollment consisted of individuals who held a baccalaureate or higher academic degree. If these same percentages hold true today, the Chancellor's Office estimates that some 127,000 community college students would be affected by this proposal and would be subject to paying the full cost of instruction.

The number of students that would be affected by this proposal at the University and State University is significantly less. The University of California estimates that approximately 400 undergraduate students re-enroll for a second baccalaureate degrees, while between 10 and 15 percent of its master and professional students hold masters or more advanced degrees. In 1991-92, the State University enrolled about 4,300 undergraduate students who were pursuing a second bachelor's degree. This number has, however, been declining in recent years.

The Commission estimates that in 1990-91, the full average cost of isntruction from all revenue sources per full-time-equivalent student was about $3,000 at the community colleges, $7,700 at the State University, and $12,750 at the University of California.

Potential impact of the option

At the community colleges, assuming that only individuals with a baccalaureate degree or higher were subject to paying the full cost of instruction, the Commission estimates that this proposal could provide over $200 million in new revenue. This calculation, however, assumes that community college enrollments would remain unchanged despite this differential fee. More likely, if degree holders were charged the full cost of education, many of them would choose not to enroll, given those higher fee levels. Thus, $200 million may not be an estimate of what this policy change would actually generate in terms of new revenue for the community colleges. The Chancellor's Office of the California Community Colleges is in the process of estimating the actual amount of revenue this proposal might provide for its colleges if the fee assessed was equal to that charged State University students.

Commission staff is in the process of calculating the additional revenue that might be generated by the University and State University by implementing this proposal, again assuming no loss in enrollment

A number of concerns would need to be addressed prior to effective implementation of this proposal:

- First, many individuals, including those who hold baccalaureate or higher degrees, return to the State's colleges for retraining and/or upgrading of their skills after they become unemployed If this proposal were implemented, it is highly likely that it would prevent these individuals from enrolling and might result in them becoming dependent on other public assistance programs. Thus, some consideration should be given to exempting individuals not gainfully employed from paying the higher fees.
- Second, serious questions have been raised about the ability of the State's public colleges and universities to identify those students who would be required to pay the full cost of instruction under this policy. California does not currently have a data system able to track students between and among educational institutions, which would be the only way to ensure that all students required to pay the higher fees would, in fact, do so. The cost of such a system, however, could be funded out of initial revenues collected under this proposal from those students who self-report that they are degree holders. In general, estimates of the cost to implement this proposal need to be determined.
- Third, the State has an interest in ensuring an adequate supply of individuals trained to provide a variety of public services, such as teachers and school administrators The State may want to exempt students enrolled in these and similar programs from paying the higher fees.

- Another concern relates to individuals who hold degrees from out-of-state or from independent institutions. If these individuals enrolled for a second bachelor's or master's degree in a public institution, should they pay the higher fee since they have not yet received their opportunity for State subsidized higher education?
- An additional issue that would need to be addressed is whether the State should provide financial aid to assist needy students in paying the higher fees necessary for them to obtain a second bachelor's or master's degree.
- The relationship between fee revenue collected by the community colleges and its affect on Proposition 98 funding is an additional issue that would need to be reviewed.
- Finally, great caution should be exercised in budgeting any anticipated revenues resulting from this proposal. Since current information about the demographic and economic composition of the students who would be assessed these higher fees is not available, it is difficult to predict how many students would continue to attend given the higher fee level. If the anticipated revenue amounts were considered part of the systems' budgets but were not received, this loss would amount to an additional unallocated budget reduction, further eroding the systems' ability to provide access to, and quality in, their higher education programs.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission supports the general concept of this option and has directed staff to continue to analyze its impact if implemented.

California Community College· The community colleges support increasing fees for students who hold bachelor's or higher degrees. However, they do not support charging the full cost of instruction to such students. They would prefer the fee for these students to approximate the current charge per State University unit (about $33 per unit.)

California State University: The State University indicates that it would be difficult to establish procedures, make administrative adjustments, address financial aid concerns, and secure necessary policy changes in time to implement this proposal in 1992-93. However, it does note that the proposal is worthy of consideration as a long-term financing strategy. Additionally, the State University is particularly concerned about the impact that this proposal would have on students enrolled in its teacher credential and other State-required licensing programs.

University of California: The University believes that this option merits serious consideration. However, it does believe that many of the issues outlined above need to be addressed prior to the option's implementation.

California State University Student Association: The California State Student Association has not taken a formal position an the option at this time, but is interested in watching the proposal as it develops.

Department of Finance: The Department of Finance expressed concern that is reflected in a number of the issues identified above which need to be resolved prior to the proposal's implementation

Legislation proposed to implement this option

AB 3320 (Hayden) and AB 2782 (Campbell) are both related to implementation of this option.

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

Analyses of Options and Alternatives for California Higher Education

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Charging Students in Professional Programs Higher Fees Than Undergraduates

The proposed option

The State could increase student fee revenues by charging professional students higher fees than those of undergraduates and graduates at the State's public universities.

Background on the option

The majority of public colleges and universities nationally charge professional students more than undergraduate and other graduate students. These higher charges stem primarily from the fact that the per-student cost of providing advanced educational programs is more expensive than that of providing baccalaureate-level educational programs. A second reason is that the expected income of recipients of professional degrees is typically higher than that of many baccalaureate-degree and graduate degree recipients and, as a result, they should pay a greater share of the cost of their professional degree program since it will ultimately benefit them financially.

Prior to 1985, the University of California charged graduate and professional students approximately $60 more per year than undergraduate students. In that year, however, Senate Bill 195, which established the State's first long-term resident student fee policy, eliminated that differential between fees charged undergraduates and graduate or professional students at the University. A major provision of California's historic "tuition free" policy on fees is that students are not required to pay for the direct cost of their instruction, but only for those programs and activities complementary to instruction, such as counseling, admissions, and placement services.

Assessing higher fees based on some percentage of instructional cost on professional students would mean a departure from California's historic commitment that students not pay for the costs of direct instruction and could be viewed as a first step toward charging tuition at California's public colleges and universities. Nonetheless, in 1990, the State initiated a surcharge of $376 for law and medical students at the University, above the fee level charged undergraduate and graduate students.

In 1991-92, the University of California charged all professional students, other than law and medical students, $2,831 per year in both systemwide and mandatory campus-based fees. The annual charge for law and medical students excluding campus-based fees is $3,207.

Potential non-fiscal impact of the option

This option could generate significant amounts of additional revenue for the State's public universities, but four issues of concern should be noted:

- First, as is the case with any increase in student charges, special attention should be paid to providing sufficient financial aid to offset the fee increase for financially needy students. Since high student charges disproportionately affect students from low- and middle-income backgrounds compared to wealthy students, every effort should be made to ensure that enough grant-based aid is available for needy students, and that these students know about the availability of such aid and how to apply for it.
- Second, the higher fee levels may discourage some students from pursuing studies in certain professional fields -- particularly those that lead to lower-than-average paying jobs upon graduation such as individuals enrolled in teacher credentialing programs. If the higher fees had that effect and lowered the availability of personnel in important but low-paying careers, the State might consider exempting students in those programs from paying the surcharge.
- Third, this proposal could impact the systems' ability to attract and retain quality professional school students. Therefore, some reexamination of the amount and availability of merit scholarships would need to be undertaken.
- Finally, if the fee increase was significant, it might reduce professional enrollments at the State's universities. If the universities wished to maintain their current level of these enrollments, they might be tempted to decrease the admission requirements for students in these programs.

Potential fiscal effects of the option

The amount of revenue that this option would generate depends on at least four factors: (1) the level of fee assessed; (2) how much financial aid is set aside to assist needy students with the fee increase; (3) what professional programs, if any, would be exempted from the higher fee; and (4) the number of professional students who would continue to enroll in the institutions given the higher fee.

Information on the economic characteristics of California's professional students that would help estimate the amount of aid that would be required to assist them with the fee increase (the second of the four factors) will be available this September from the California Student Aid Commission. At that time, projections can be made based on different values of the other three factors.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission supports the general concept of this option and has directed staff to continue to analyze its impact if implemented.

University of California: The University of California is supportive of continuing to analyze this option Its concerns relate to which professional program students should be assessed the higher fees and the need for additional financial aid to assist needy students in continuing to enroll in those programs.

California State University· The State University indicates that it does not believe that it can establish procedures, make administrative adjustments, address financial aid concerns or secure the necessary policy changes in time to implement this option in 1992-93. However, it does believe that the proposal is worthy of consideration as a long-term financing strategy. The State University is particularly concerned about the impact that this proposal would have on students enrolled in its teacher credential and other State-required licensing programs.

University of California Student Association: The University of California Student Association is concerned about the impact this proposal would have on (1) the ability of students from low income backgrounds to enroll in professional studies, and (2) the number of students who would pursue public service careers upon graduation, since they will likely be straddled with increased loan burdens resulting from the higher fee levels.

California State University Student Association: The California State Student Association has not taken a formal position on this option at this time. However, it is interested in watching the proposal as it develops further

Legislation proposed to implement this option

Assembly Bill 3320 (Hayden) potentially relates to the implementation of this proposal.

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Charging Graduate Students Higher Fees Than Undergraduates

The proposed option

The State could increase student fee revenues by charging graduate students higher fees than those of undergraduates at the State's public universities.

Background on the option

The majority of public colleges and universities nationally charge graduate students more than undergraduate students. These higher charges stem primarily from the fact that the per-student cost of providing advanced educational programs is more expensive than that of providing baccalaureate-level educational programs. A second reason is that the expected income of recipients of advanced degrees is typically somewhat higher than that of baccalaureate-degree recipients and, as a result, they should pay a greater share of the cost of their degree program since it will ultimately benefit them financially.

Prior to 1985, the University of California charged graduate and professional students approximately $60 more per year than undergraduate students. In that year, however, Senate Bill 195, which established the State's first long-term resident student fee policy, eliminated that differential between fees charged undergraduates and graduate or professional students at the University. A major provision of California's historic "tuition free" policy on fees is that students are not required to pay for the direct cost of their instruction, but only for those programs and activities complementary to instruction, such as counseling, admissions, and placement services.

Assessing higher fees based on some percentage of instructional cost on graduate students would mean a departure from California's historic commitment that students not pay for the costs of direct instruction and would be a first step toward California's public universities charging tuition. Nonetheless, in 1990, the State initiated a surcharge for law and medical students at the University of $376 above the undergraduate and graduate student fee level.

In 1991-92, the University of California charged all graduate students, other than professional law and medical students, $2,831 per year in both systemwide and mandatory campus-based fees, while its four public faculty salary comparison institutions charged such students an average of $4,307 per year. In 1991-92, the State

University charged its graduate students an average of $1,088 per year in both systemwide and mandatory campus-based fees. Commission staff is collecting information on the amount charged graduate students at the State University's public faculty salary comparison institutions.

Potential non-fiscal impact of the option

This option could generate significant amounts of additional revenue for the State's public universities, but four issues of concern should be noted:

- First, as is the case with any increase in student charges, special attention should be paid to providing sufficient financial aid to offset the fee increase for financially needy students. Since high student charges disproportionately affect students from low- and middle-income backgrounds compared to wealthy students, every effort should be made to ensure that enough grant-based aid is available for needy students, and that these students know about the availability of such aid and how to apply for it.
- Second, the higher fee levels may discourage some students from pursuing graduate studies in certain fields -- particularly those that lead to lower-than-average paying jobs upon graduation such as individuals enrolled in teacher credentialing programs. If the higher fees had that effect and lowered the availability of personnel in important but low-paying careers, the State might consider exempting students in those programs from paying the surcharge
- Third, this proposal could impact the systems' ability to attract and retain quality graduate school students. Therefore, some reexamination of the amount and availability of merit scholarships would need to be undertaken.
- Finally, if the fee increase was significant, it might reduce graduate enrollments at the State's universities. If the universities wished to maintain their current level of these enrollments, they might be tempted to decrease the admission requirements for students in these programs.

Potential fiscal effects of the option

The amount of revenue that this option would generate depends on at least four factors: (1) the level of fee assessed; (2) how much financial aid is set aside to assist needy students with the fee increase; (3) what graduate programs, if any, would be exempted from the higher fee; and (4) the number of graduate students who would continue to enroll in the institutions given the higher fee.

Information on the economic characteristics of California's graduate students that would help estimate the amount of aid that would be required to assist them with the fee increase (the second of the four factors) will be available this September from the

California Student Aid Commission. At that time, projections can be made based on different values of the other three factors.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission has directed staff to continue to analyze the impact of this option if implemented.

University of California: The University of California is not supportive of increasing graduate student charges since these students are its most financially needy. The University notes that graduate students play an integral role in the institution and that increasing student fees would make it increasingly difficult for it to attract and retain the highest quality graduate students.

California State University: The State University indicates that it does not believe that it can establish procedures, make administrative adjustments, address financial aid concerns or secure the necessary policy changes in time to implement this option in 1992-93. However, it does believe that the proposal is worthy of consideration as a long-term financing strategy. The State University is particularly concerned about the impact that this proposal would have on students enrolled in its teacher credential and other State-required licensing programs.

University of California Student Association: The University of California Student Association is concerned about the impact this proposal would have on (1) the ability of students from low-income backgrounds to enroll in graduate studies, (2) the existing lack of adequate need-based financial aid to assist graduate students in completing such studies, and (3) graduate students' increasing reliance on loans to finance their studies.

California State Student Association: The California State Student Association has not taken a formal position on this option at this time. However, it is interested in watching the proposal as it develops further.

Legislation proposed to implement this option

Assembly Bill 3320 (Hayden) potentially relates to the implementation of this proposal.

Extending the Non-Residency Period to Three Years

The proposed option

The State could raise revenues by increasing from one to three years the amount of time required for out-of-State residents to obtain California residency for tuition purposes. Alternatively, the State could require that its public institutions be far more strict in enforcing the State's current policies.

Background on the option

Before a student is enrolled in a public college or university in California, the institution determines whether the student should be classified as a resident or a nonresident for tuition purposes. Students classified as nonresidents for this purpose have to pay not only the same fees as resident students but also tuition to cover a portion of the cost of their instruction.*

Currently, to be classified as California residents for tuition purposes, students must present evidence of (1) physical presence in the State for more than one year and one day prior to enrollment and (2) their "intent" to make California their home. They can demonstrate this intent in a number of ways, including owning or renting property in the State, registering to vote in the State, paying California personal income taxes as a resident of the State, having a California driver's license, or owning a vehicle with California license plates. Typically, if a student from another state has opened a bank account in California, obtained a California's driver's license and car registration, rented an apartment or other residential living quarters in the State, registered to vote in California, and filed California personal income tax forms as a resident, the student can be reclassified as a California resident for tuition purposes after living in California for one year. Although California's one-year residency requirement is similar to most other state's requirements, a great deal of variation ex-

* In 1991-92, each nonresident student at the State University paid a total of $8,340 in systemwide fees and nonresident tuition -- about $600 more than the total average cost of instruction in that system, excluding capital outlay costs. That same year, each nonresident student at the University of California paid a total of $9,973 in systemwide fees and nonresident tuition -- about $3,000 less than the total average cost of instruction from all revenue sources in that system, excluding capital outlay expenses Thus nonresident students in both systems are partially subsidized by the State, since they do not pay for the costs associated with capital outlay. In addition, the State subsidizes a portion of the instructional costs of nonresident students attending the University

ists in how states implement these policies. California is more lenient in implementing its policy than most other states as evidenced by the fact that between 70 and 75 percent of all students at the University of California, Berkeley and the University of California, Los Angeles, applying for residency status after living in California one year are granted it and thereafter pay only resident student fees. Changing California's residency requirement from one year to three years would move California closer to those states that have one-year residency requirements but strictly enforce them.

A recent opinion from the Legislative Counsel's Office concluded that it would be constitutional to increase from one year to three years the period of time required for a student to become eligible for residency status for the purposes of paying tuition at a public postsecondary educational institution, although the University of California continues to have concerns about the constitutionality of this proposal.

Potential non-fiscal impact of the option

Since California's public colleges and universities are having increasing difficulty in providing quality educational programs to all qualified California residents, implementing this option would result in targeting the State's limited higher education resources more explicitly to individuals who have contributed to the State's economy for at least three years. Under the current policy, after one year in the State a majority of nonresident students achieve California resident status and thereafter pay only resident student fees, thereby receiving the same level of State subsidy as individuals who have lived in and contributed to the State's tax base for several years.

Implementing this proposal could discourage some nonresident students from opting to attend California's public institutions since they would no longer be able to obtain resident fee status after one year. Information on the number of such students is only speculative in nature.

While it is probable that some nonresident students would choose not to attend California's public institutions if this option were implemented, their nonattendance would enable these institutions to enroll more California residents without requiring capital outlay expenditures to build more facilities.

A related and important issue which would need to be addressed prior to implementation of this proposal is the classification of immigrant students including those who are newly legalized or who are still seeking legalization under the Immigration and Reform Control Act and subsequent legislation. This proposal could further exacerbate the problems which this group of students are currently facing.

In addition, more financial aid would need to be available for graduate students if the University is to remain competitive in attracting the highest quality graduate students

Potential fiscal impact of the option

Although it is difficult to predict the number of nonresident students who would not attend the State's public colleges and universities as a result of this proposed policy, the declines in nonresident enrollment and therefore decreases in nonresident tuition revenues would be offset by the additional nonresident tuition that would be collected from those nonresidents choosing to enroll for three years.

The Commission estimates that if the University of California experienced no decrease in its nonresident enrollment after implementation of this proposal, it would receive an additional $50 million in nonresident tuition revenue during the second year and approximately $100 million more in the third and subsequent years But caution should be exercised in budgeting any revenue resulting from this proposal, since the number of nonresident students who would decide not to attend a public institution in California because of this proposed change is unknown, as is the amount of additional nonresident tuition this proposal would generate.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission supports the general concept of this option and has directed staff to continue to analyze its impact if implemented.

University of California: The University of California does not believe that changing the length of time required to obtain residency from one year to three years warrants further consideration because of its potential legal and programmatic consequences. It does believe, however, that the criteria and procedures by which nonresident students are able to be reclassified as California residents for fee purposes should be examined since tightening those criteria and procedures may raise additional revenue.

California State University: The California State University notes that the proposal would not create additional revenues in 1992-93, but that it does deserve further study as a long-range financing option. It too is concerned about potential legal and equity issues surround this proposal

California Community College: The California Community Colleges are particularly concerned about the impact that this proposal would have on immigrant students, and this issue would need to be clarified prior to implementation of this proposal.

University of California Student Association: The University of California Student Association is concerned that this proposal would discourage students from moving to California to complete their higher education studies.

California State Student Association: The California State Student Association is supportive of changing the residency requirements from one year to two years with all students already enrolled in California's public institutions grandfathered in under the current residency policies.

Legislation proposed to implement this option

AB 3706 (Areias) and AB 2488 (Frizzelle) are both related to implementation of this option

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

Analyses of Options and Alternatives for California Higher Education

•

Increasing Nonresident Tuition

The proposed option

The State should increase the level of tuition assessed nonresident students attending the University and State University should be increased.

Background on the option

Like other states, California requires that nonresident students pay higher charges than its own residents to attend its public colleges and universities. In addition to paying all fees required of resident students, nonresident students are also required to pay nonresident tuition to cover a portion of instructional costs. All tuition revenue collected by the University and the State University from nonresident students is considered to be an offset to the State's General Fund appropriation to the respective system, meaning that the State allows them to keep the funds but considers the projected amount of those revenues in determining their General Fund appropriations.

At the close of the Legislature's 1988 session, it adopted Senate Concurrent Resolution 69 (Morgan) which expressed its desire to adopt a long-term fee policy relating to the adjustment of nonresident tuition SCR 69 directed the Commission to convene an intersegmental committee composed of representatives from the systems, the Department of Finance, the Legislative Analyst's Office, and students to develop recommendations for a long-term nonresident student fee policy. In June 1989, the advisory committee issued its report, which recommended that, as California's public colleges and universities adjust their nonresident tuition levels, they should consider, at a minimum, the following two factors: (1) the total nonresident charges imposed at their public comparison institutions, and (2) the full average cost of instruction in their system. The advisory committee's recommendations were enacted into statute in 1990 through Senate Bill 2116 (Morgan) and, as a result, the State does have a policy to set nonresident tuition levels.

At the California State University, the systemwide fee and nonresident tuition charges paid by a nonresident student in 1991-92 amounted to $8,340, about $600 higher than the full average cost of instruction at the State University, excluding the costs of capital outlay. The total charges assessed nonresident students at the State University is higher than any of the 14 public institutions with which it compares itself for faculty salaries and is more than $2,200 higher than the average of the 14, or about $6,100

At the University of California in 1991-92, each nonresident student paid a total of $9,973 in systemwide fees and nonresident tuition, while the full average cost of instruction at the University from all revenue sources was approximately $12,750, excluding capital outlay costs.

In determining the level of its nonresident tuition, the University considers three factors: (1) the marginal cost of enrolling one more full-time-equivalent student; (2) the nonresident tuition charged by 22 other major state universities; and (3) the expected change in such economic indices as the Consumer Price Index. As a result of using these factors, the University does not charge nonresidents the full cost of their instruction.

Since 1987-88 nonresident tuition has increased nearly 80 percent at the University -- from $4,290 to $7,699 today. Since 1990-91, total nonresident student charges have increased more than $3,500. Given those increases, the University's total charges for nonresident undergraduate students is higher than three of the four public universities with which it compares itself in terms of faculty salaries and about $1,100 higher than the average of the four.

Potential impact of the option

An overarching concern related to further increases in nonresident tuition relates to the number of nonresident students who may no longer attend California's public universities as a result of such increases This concern is particularly great at the graduate level since the University believes that further increases in nonresident tuition will impair its ability to attract the outstanding graduate students However, it should be noted that the vast majority of private institutions with which the University competes for graduate students already charge these students in excess of $13,000. Furthermore, a number of other public institutions with which the University compares itself -- the University of Colorado, Boulder; the Ohio State University, Columbus; the Pennsylvania State University; the University of Virginia; and the University of Wisconsin -- all charge nonresident graduate students more than $9,000, and the University of Michigan, Ann Arbor -- one of the University's faculty salary comparison institutions -- charges nonresident graduate students nearly $14,000.

The University reports that the level of nonresident tuition is an important element in maintaining its ability to remain competitive with other institutions in recruiting outstanding graduate students. Graduate students are critical to the quality of University programs. They serve as teaching assistants -- contributing to the instruction of undergraduates -- and they serve as research assistants -- developing their research skills at the same time they contribute to the research efforts of the University. Graduate students constitute an important link between the teaching and research missions of the University. Furthermore the University notes that, concommitant the recent increases in its nonresident tuition, nonresident applicants for admission to the University at both the undergraduate and graduate level have declined.

It is also important to consider whether further increases in nonresident tuition will limit the institutions' ability to have a geographically diverse student body, which adds to the educational experience. However, given the potential need to limit access to some students, California residents should be given the highest priority for admission and enrollment in the State's public colleges and universities.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission recommended that further increases in nonresident tuition not be considered as a viable alternative due to the high level of charges already assessed these students and the negative impact that additional increases might yield.

University of California: The University of California is opposed to further increases in nonresident tuition light of the significant differential that already exists between the University's nonresident charges and those of its comparison institutions as well as its need to remain competitive in attracting outstanding graduate students.

California State University: The State University believes that this option is worthy of long-range study, but that it probably will not generate a significant increase in revenues. It notes that, as a short-range option, it may actually reduce its nonresident fee revenue.

California State Student Association: The California State Student Association is opposed to further increases in nonresident tuition since total nonresident charges at the State University already exceed the cost of instruction in that system.

Setting Fees on a Sliding Scale Based on Income

The proposed option

California's public colleges and universities should base the amount of fees students pay on the students' or their parents' adjusted gross income.

Background on the option

The primary impetus behind this proposal to develop a sliding-scale student fee policy is to reduce the significant State subsidy that wealthy students now receive at California's public colleges and universities while continuing to provide access to low-income and middle-income students.

Potential impact of the option

Given the limited availability of State resources, the impetus behind the proposal is logical and rational: reducing the State subsidy for wealthy students enrolled in California public higher education. The concept of charging students based on their ability to pay -- the purpose of this proposal -- is not new Rather, it has been the practice of higher education institutions nationally for at least the last five decades. However, rather than charging students fees based on their or their family's adjusted gross income, higher education institutions have relied upon the financial aid process for determining the student's and his/her family's ability to pay. Relying upon the financial aid process rather than on the proposed sliding fee scale may be a more appropriate means by which to charge students based on their ability to pay for a number of reasons:

- First, the sliding fee scale would be very costly to administer, since under the proposal all students would be required to submit some form of documentation indicating their adjusted gross income. Each institution or system would have to create a new bureaucracy -- in addition to the existing financial aid process -- to determine the amount each student owes and to validate the income information they submit. The University of California estimates that the annual administrative cost of implementing the sliding fee scale would be approximately $54 million, while the State University estimates that its cost would be about $20.3 million annually. In addition, the existing financial aid process would still be needed in order to provide aid to needy students to assist them with their other educational expenses. No other institution in the country is known to have a sliding fee policy; all rely on the financial aid process for determining the student's ability to pay and, as a result, if this proposal were implemented it could have a negative effect on California's public universities' ability to recruit students.

- Second, the sliding fee policy, as proposed, is not sensitive to factors other than adjusted gross income that affect a student's ability to pay. These factors -- which are all considered as part of the financial aid process in determining a student's ability to pay -- included such things as family size, the number of family members in college, the assets and liabilities of the family, and any extraordinary medical expenses. Because of the proposal's insensitivity to these factors, it may also increase the need for financial aid by some students and hence the workload of existing financial aid offices. Related to the issue of the student fee being dependent exclusively on the adjusted gross income is the fact that high income families attempt to find ways to reduce their adjusted gross income through tax shelters so that they can pay less in taxes. This proposal would also enable families with the means to lower their adjusted gross income through such shelters to pay less than what they can actually afford, since the student fee level is dependent solely upon the adjusted gross income as reported for tax purposes.

- Third, the "step effect" is another issue which should be addressed prior to this proposal's implementation. For example, if the income level for triggering an increase in student fees is $70,000, individuals earning $69,990 would pay less than individuals earning only $10 more. This "step effect" could be partially alleviated, however, by having numerous steps, or eliminated entirely by setting the fee level at a specified percentage of income and making the two a linear relationship.

- Another concern relates to the fact that this policy could encourage the State's public institutions to focus their efforts on enrolling more students from high income backgrounds in order to maximize revenue for the institution. To prevent this from occurring the State could set quotas, but that would run counter to the State's overall Master Plan goals of providing access to all.

- A final concern involves the possible negative impact of the proposal on student attitudes and campus climate. Under this proposal it would be more publicly apparent that since students from high-income families would pay more in fees than students from less well-to-do families, they may feel that they are subsidizing the education of the less well-to-do students. As such, this proposal has the potential to bifurcate the student body of a campus, the exact opposite of the desired goal of creating an community in which all individuals are equal.

If the goal of the State is to decrease the level of support students from wealthy families receive from the State in the form of a subsidized higher education, rather than implementing the proposed sliding scale student fee policy, policymakers should consider raising the level of fees for all students and using the existing financial aid system to determine a student's ability to pay. The financial aid system is better equipped for determining a student's ability to pay and could distribute increased amounts of financial aid to needy students, thereby continuing to provide access to those from low- and middle-income families. This alternative does, however, run counter to the State's historic commitment of keeping student fees as low as possible.

By charging all students the higher fee levels and by using the financial aid system to assist needy students with those fee increases, the State and its public institutions would not need to create a second costly bureaucracy for determining the amount of fees each student should pay. In addition, despite the problems with California's existing financial aid system, that system is better equipped for determining students' ability to pay than relying exclusively on adjusted gross income as proposed by the sliding fee scale.

Potential fiscal effect

Because current information about the income distribution of all students enrolled in California public higher education is not available, the fiscal impact of any sliding scale developed under this proposal cannot be accurately calculated. The most recent information about student income is four years old and could be the basis of rough estimates, but the California Student Aid Commission is currently conducting its quadrennial Student Expenses and Resources Survey, scheduled to be completed in September 1992, that will provide up-to-date information

Comments, concerns, positions

California Postsecondary Education Commission: The Commission is not supportive of this option because of the concerns noted above.

University of California: The University of California is opposed to this proposed sliding scale fee based on income for many of the reasons described above.

California State University: The State University is also opposed to this option for the previously described reasons.

University of California Student Association: The University of California Student Association is concerned about the incentive this proposal would create for the University to enroll high-income students rather than low-income students in order to balance its budget.

California State Student Association: The California State Student Association is opposed to this option on the basis that fees should be assessed equally on all students regardless of their socio-economic background.

Legislation proposed to implement this option

Assembly Bill 3320 (Hayden) potentially relates to the implementation of this proposal.

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

Analyses of Options and Alternatives for California Higher Education

•

Eliminating Merit Salary Adjustments

The proposed option

Eliminate merit salary adjustments for public university faculty members in years when no other State employees receive such adjustments.

Background on the option

Faculty members in California's public universities can earn base salary increases in any given year in three different ways: (1) they can be promoted from one ladder-rank position to a higher level position, (2) they can receive a cost-of-living adjustment; or (3) they can receive a step increase -- known as a merit salary adjustment.

In 1991-92, some faculty members at the California State University earned base salary increases by the first and third of these methods: Some were promoted to higher level positions, or they received merit salary adjustments. In the case of the University, however, some faculty did receive promotions, but received no concomitant increase in their base salaries, and while some University faculty qualified for merit increases, no merit increases were paid to them. No faculty members in either system received a cost-of-living adjustment -- the second of the three ways.* The University made a budget decision not to fund merit salary adjustments as a means to balance its budget in the face of a significant reduction in State support. In contrast, the State University, faced with similar budget reductions, funded its faculty's merit salary adjustments but terminated several thousand part-time and temporary faculty, thereby cutting several thousand course sections.

Historically, faculty members at the University of California have received merit increases only after extensive peer review. They may earn these increases either annually, biennially, or every three years depending on their current level and position within that level, but only if they have excelled in their work. State University fac-

* Faculty members in both systems have typically received cost-of-living adjustments throughout the past decade, although often at the middle or end of the State's fiscal year. They did not receive such an adjustment in the 1991-92 budget year despite the fact that the Commission determined their salaries lagged behind those paid to faculty at comparable institutions by approximately 3.5 percent at the University and 4.1 percent at the State University.

ulty are provided merit increases if funding is available, under a less stringent review process.

Potential impact of the option

The budget implications of eliminating merit increases to faculty in those years in which other State employees do not receive such increases are easy to calculate. If the current budget plan to provide merit salary increases is not implemented, approximately $12.7 million could be realized in 1992-93 from the State University not providing merit salary adjustments and $17.0 million could be realized from the University of California.

Current budget proposals also recommend that University faculty receive their merit adjustment for the 1991-92 budget year as a make-up provision, since State employees and State University faculty received that adjustment. Another $17.0 million dollars would be saved if this budget proposal was not enacted.

The policy implications of not granting merit increases are more difficult to evaluate than any fiscal impact. Merit increases in the University and State University are used to (1) recognize faculty who excel in their work, (2) help retain faculty who could be attracted away by competitor institutions, and (3) attract quality faculty from other institutions. Not funding merit over a long term could have serious implications in undermining both the University's and State University's ability to remain competitive in the marketplace in recruiting and retaining quality faculty members. The policy of the University of California is that, if the University is to pay competitive salaries, it should pay merit salary adjustments as a first priority, and cost-of-living adjustments as a lower priority.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission concluded that the granting of merit increases is a decision best left to the individual governing boards, and, as such, it would not be considering nor recommending this option for further study.

Setting Student Fees in Public Universities at a Fixed Percentage of Instructional Cost

The proposed option

The State should increase the level of student fees for the California State University to 25 percent of its total average cost of instruction and for the University of California to 33 percent of its total average cost of instruction.

Background on the option

A number of other states set the fees that students are charged for attending their public colleges and universities at a specified percentage of the institutions' cost of instruction. By and large these states set fees for comprehensive institutions that are comparable to campuses of the California State University at approximately 25 percent of their cost of instruction. They set fees for their research universities that are comparable to campuses of the University of California at a higher percentage -- close to 33 percent of their cost of instruction.

If California were to set student fees for the California State University at 25 percent of its total average cost of instruction (about $7,700 per student from all revenue sources in 1990-91), the fee would be $1,925 -- about $1,000 higher than the State University's 1991-92 fee and about $600 higher than that proposed for 1992-93. If it set student fees for the University of California at 33 percent of its total average cost of instruction (approximately $12,750 from all revenue sources in 1990-91), the fee would be about $4,200 -- $1,925 higher than the 1991-92 student fee and about $1,400 higher than that proposed for 1992-93.

Potential non-financial impact of the option

A major provision of California's current student fee policy is that students do not pay tuition, which supports the cost of direct instruction, but rather they pay only fees which help support programs and activities complementary to instruction. If this option were enacted, California would be departing from its historic commitment of providing a "tuition free" higher education.

In addition, the State's current student fee policy is premised on keeping fees as low as possible. That policy was believed to be one of the best vehicles for providing access to higher education for all California citizens. Recent Commission analysis suggests, however, that this policy has not provided equal access to all California citizens. That analysis indicates that the proportion of students from middle-income backgrounds enrolled at the University and State University has decreased from 1982 to 1988 -- a period during which growth occurred statewide in this income group.

As is the case with any increase in student fees, students from low- and middle-income backgrounds would be seriously affected by this proposal unless the State and its institutions provide enough financial aid to offset the increase for needy students. A fee adjustment of the magnitude proposed here would significantly increase the number of students who would qualify for student aid, although the exact number is currently unknown because the State lacks information on the economic characteristics of students presently enrolled in its public colleges and universities. That information is being collected by the California Student Aid Commission and will be available by this September.

In any event, this proposal would require significant amounts of new financial aid if access for all qualified students to California's public colleges and universities is to be continued. Yet because this proposal would generate significantly higher fee revenues, a substantially larger percentage of these revenues could be earmarked for providing increased grants to needy students than is currently set aside for financial aid

This proposal would also require a more effective financial aid system in order to minimize any negative effects on the ability of low- and middle-income students to attend the State's public colleges and universities:

- First, the process of applying for financial aid would need to be streamlined so that it does not discourage qualified students from applying for aid.
- Second, the State would need to overcome the problem of "sticker shock" -- whereby students and parents incorrectly determine that higher education is beyond their economic means because they look only at the stated fee level without considering the availability of student financial aid. Combatting this problem would require an intensive public information campaign in order to ensure that needy potential students know about the availability of financial aid and the process by which to apply for it. The costs of that program could be funded from the increase in student fee revenues.
- Finally, since greater numbers of students would require financial aid, the workload of the systems' financial aid offices would increase. Additional funds would be needed to expand those offices and ensure that needy students receive aid.

Access to higher education is hampered not only by student charges but also by insufficient institutional revenue to allow colleges and universities to offer the classes students need or desire. Proponents of this proposal argue that by charging higher student fees, institutions will be able not only to offer the necessary classes to ensure that students can complete their degrees in a timely fashion but also to provide increased grant aid to help needy students meet the costs of higher education.

Finally, prior to implementation of this proposal, the State would need to define how it wishes to calculate the costs of instruction in each system.

Potential fiscal impact of the option

Until the Student Aid Commission completes by this September its current survey of students enrolled in the State's colleges and universities, information about the likely fiscal impact of the option will be only speculative.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission directed staff to continue to analyze this option in the coming months as part of its on-going study on the future financing of California higher education.

Increasing Student Fees But Forgiving the Loans of Graduates Who Continue to Reside in the State

The proposed option

The State could generate additional revenue by increasing student fees for graduate and professional students. This option would also establish a State loan program to assist those students in paying the higher fees and would forgive those loans if the student continues to reside in the State upon graduation.

Background on the option

This proposal would increase fee levels for graduate and professional students (and other categories of students, if desired) but would also offer State-underwritten forgivable loans in order to maintain the affordability of graduate and professional study. Under this plan, graduates of advanced degree programs at the University of California and the California State University would receive forgiveness of their loan payments over a specified period of time if they remain in California. State tax returns could be used as documentation of their continued residency.

For example, students who participate in the new loan program but who leave California immediately after graduation would be expected to begin repaying their loans consistent with the loan program's guidelines. But students who remain in California after graduation would be forgiven their loan payments during that period of time. If they then left the State to pursue employment elsewhere, they would take over their loan payment responsibilities as with any other student loan.

The objectives of this program would be to generate additional revenues through higher fee levels, maintain affordability of advanced degree programs for students who plan to stay in California after graduation, and simultaneously lower the State subsidy for students who leave the State after graduation. The program could also generate powerful recruitment inducements for use by California's private corporate and public sectors that seek to recruit talent from California's universities. To the extent that this program would encourage more graduates to stay and work in California, its long-term economic benefits to the State may outstrip the State's costs of the forgivable loans. Moreover, the program would maximize net revenue from graduates who leave the State, since they would pay a large share of their educational costs.

This option addresses the current imperative of generating additional State resources while remaining sensitive to the goals of holding down net educational expenses for Californians who want to benefit from higher education. It would provide large State subsidies for graduates who continue to reside in California while simultaneously reducing the State's subsidy for graduates who move elsewhere.

Potential non-fiscal impact of the option

Student borrowing to attend college in California has grown substantially during the past decade, reaching a level of $1.25 billion in 1991-92. This proposal would further emphasize the role of loans in student financial aid and increase the dependence of advanced-degree candidates on borrowing as a means to finance their graduate study. Yet this option is unique in that it would offer these graduates a mechanism -- continued California residence -- through which to avoid large loan repayments.

While this option may provide California's public higher education institutions with additional revenue in the short-term, one issue of concern is the proposal's impact in the long-term. Since the loans of students who remain in California will be forgiven, the State and its taxpayers will need to pay for the costs of those loans. Thus, while this option provides additional revenue to the State's public higher education institutions today, the State will be responsible in the future for paying for the costs associated with many of those exempted loans.

In assessing this option, a judgment would need to be made as to whether the higher fee levels would adversely affect the ability of California's public universities to attract the quantity and quality of students needed to maintain excellence in their graduate and professional programs, since students who planned to leave California after graduation or who were uncertain of their future plans may be particularly hesitant to bear the additional cost of attendance.

Another one concern regarding this proposal relates to students who are required to go out of State for further training upon completion of their degree, such as medical students completing their residency out of state. The selection of these students under this proposed loan program would need to be addressed prior to the option's implementation.

A final concern relates to how other states will react if this proposal is adopted. California does not wish to create ill-will with other States and thus all implications associated with this proposal should be fully and carefully analyzed prior to its implementation.

Potential fiscal impact of the option

Net revenue generated by the plan would depend on a variety of factors: (1) the proposed fee levels, (2) the number of students participating in the program, (3) the proportion of graduates who would be eligible for partial or total forgiveness, and (4) the administrative costs associated with establishing a new loan forgiveness program or expanding a current loan forgiveness program (like California's Assumption Program for Educational Loans) Increasing fees by $3,000 per year for all graduate and professional students at the University of California would generate approximately $120 million in new gross revenues. If loans were made available to cover the difference between current fees and the proposed fees (approximately $3,000 per year), the only net State costs would be the creation and administration of the loan program as well as the interest on loans for graduates who continue to reside in California after graduation. If the State were to self-finance the program, interest expenses could be minimized and the State would receive income resulting from interest on the loans. In addition, those students who leave California would generate net new revenue at the rate of $3,000 each for every year of graduate enrollment. If, hypothetically, 70 percent of all graduates were to remain in California after graduation, this program would generate net annual revenues of approximately $36 million.

Before determining the overall fiscal impact of this proposal, more information would need to be gathered on likely costs associated with creating and administering the loan forgiveness program and on the migration and employment patterns of students expected to be included in the program.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission directed staff to continue to analyze this option in the coming months as part of its on-going study on the future financing of California higher education. It also suggested that staff analyze other States' policies and programs in this area.

Encouraging Students Admitted to the State's Universities to Complete Their Lower-Division Coursework at a Community College Before Enrolling at the University-level

The proposed option

The State should encourage students admitted to the University of California or the California State University to complete their lower-division coursework at a community college prior to enrolling at the university level, because the cost to the State of adding additional lower-division undergraduate students at the community colleges is less than at the University or State University.

Background on the option

The State typically provides increases in the systems' General Fund appropriations when they enroll additional students. In 1990-91, the University of California received about $6,000 from the State General Fund for every additional undergraduate it enrolled; the State University received about $3,550; and each community college received about $2,200 for each additional credit student it enrolled if it had not reached its State-imposed enrollment cap.

Potential non-fiscal impact of the option

This option could save the State money since it is less costly to enroll an additional undergraduate at a community college than at a public university campus. However, several issues of concern should be addressed prior to its implementation:

- First, students must have some assurance that they will have a place at the University or State University upon satisfactory completion of their lower-division coursework in a community college. Thus, the University, State University, and community colleges would need to expand ways of (1) encouraging students to begin their undergraduate work in a community college; (2) ensuring that space is available on the community college campus and that the student can enroll in transferable courses, (3) ensuring transferability of credit for appropriate community college courses; (4) outlining the universities' academic expectations to community college students in order to permit them to transfer as upper-division students; and (5) ensuring that space is available in the specific program on the university campus in which the students wish to enroll.

- Second, if no limitations were placed on lower-division enrollment at the State's public universities, this proposal could increase overall college-going rates and, therefore, the costs to the State. For example, if an undergraduate student chooses to enroll in a community college for the first two years rather than at the University or State University, another University or State University eligible student may enroll in that slot who may not have otherwise attended a California public university since they could not get into that particular campus or program.
- Finally, if the program influenced large numbers of students admitted to University of California and California State University to begin their studies in a community college, the State and its public universities would need to reexamine the amount of State support that they receive for every additional student they enroll since that figure is based on the current mix of lower-division, upper-division, and graduate enrollment. That amount (in 1990-91, about $6,000 at the University of California and $3,550 at the California State University) is higher than the cost of educating a lower-division student because it serves to fund more costly upper-division and graduate programs If the number of lower-division students enrolled at the universities were to decrease significantly, the current figures may no longer adequately support the needs of upper-division and graduate students. Any potential increase would affect the level of savings derived from this proposed option.

Potential fiscal impact of the option

Since this would be an entirely new program, no one can predict the number of students who might be encouraged to attend a community college rather than a public university, if provided with a guarantee of admission to a public university upon successful completion of their lower-division coursework. In the short term, the State would save about $3,800 for every additional University admitted student and about $1,350 for every added State University admitted student who enrolled in a community college rather than on a University or State University campus for their first two years.

The Governor's 1992-93 Budget proposes enrollment increases of 1,500 undergraduates at the University and 2,600 undergraduates at the State University. If those 4,100 new undergraduate students could be encouraged to initially attend a community college rather than the State's universities, the State could save more than $13 million in 1992-93. These savings can be attributed to the fact that the cost to the State to add these 4,100 students to its public universities is approximately $26 million, but the community colleges could enroll these students for less than half that amount.

In the long-term, however, if the program is successful in redirecting large numbers of lower-division students to community colleges, the savings may not be as great because of potential changes in the universities' marginal average per-student cost noted above.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission directed staff to continue to analyze this option in the coming months as part of its on-going study on the future financing of California higher education

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Increasing Access to and Choice Among California's Colleges and Universities, Including the Independent Sector

The proposed option

In order to increase access to and choice among California's colleges and universities, the State should increase the maximum Cal Grant award for recipients attending its independent colleges and universities. This would enable the State to better use existing higher education facilities without the need for immediate expansion of its public institutions.

Background on the option

California's Constitution prohibits direct State support to private institutions under Section 9 of Article IX and Section 3 of Article XVI. As a result, the State seeks to encourage a strong independent higher education sector by providing Cal Grants to qualified students for use at either public universities or accredited independent institutions.

In 1987, the Commission for the Review of the Master Plan for Higher Education endorsed that approach and urged that "in the coming years, the state must acknowledge the accredited private institutions' ability to shoulder much of the increasing demand for educational services . . . ." (p. 3). The State's Donahoe Act was amended in 1990 to recognize this critical role that California's independent institutions play in serving the educational needs of the State's citizens. Yet, the State has not increased the size of Cal Grants in proportion to the increases in tuition at independent institutions, and, as a result, it is believed that a number of students who would have attended independent institutions are choosing to enroll at the University of California instead.* In other words, at least since 1980, California's independent institutions that are comparable to the University of California have been losing "market share" to the University: The number of California students attending these institutions declined during the 1980s at virtually the same rate that the University's enrollment increased.

Education Code Section 66021.1 establishes the formula for determining the maximum Cal Grant award for recipients attending California's independent colleges and universities. That formula calls for the maximum Cal Grant award at independent institutions to be approximately $7,200 However, the State currently provides funds for a maximum award of only $5,250 Some have argued that because the State has not fully funded the maximum Cal Grant, the number of students able to attend these institutions has decreased, since many are opting to attend the State's public colleges and universities at a much lower cost.

Potential impact of the option

Two possible approaches exist for increasing the maximum Cal Grant award, each of which would affect the costs of implementing this proposal. The award for all recipients -- both new and current -- could be increased to the higher level, or, alternatively, the maximum award could be increased for only new recipients. This later approach was proposed by the California Student Aid Commission and is supported by the Association of Independent California Colleges and Universities, based on the assumption that current recipients have already made the decision about which institution to attend. If the State were to increase the maximum Cal Grant award to $7,200 for only new recipients, the additional cost in the first year would be about $7 5 million and would increase every year by about that amount for four years, with the cost in the fourth year being approximately $30 million more than the current amount spent for Cal Grant awards at independent institutions.

The cost to the State of enrolling an additional full-time, fully needy Cal Grant recipient at the University of California is about $8,500, excluding capital outlay costs -- $6,000 appropriated to the University for an additional student and $2,500 to the Student Aid Commission for the student's Cal Grant award at the University. Since the cost of the maximum Cal Grant award for a recipient attending an independent institution would be only $7,200 -- the State could, in theory, begin realizing savings immediately for every Cal Grant recipient which chose to enroll at an independent institution rather than at the University of California, excluding savings from capital outlay costs. However, by increasing the Cal Grant and influencing an undeterminable number of students to attend independent institutions, space for other students is available at the University and it is nearly certain that students will be in line to fill those vacated spaces. Thus, rather than necessarily saving money, this proposal could enable the State to serve more students without expanding its physical capital facilities. The cost of providing this increased access and serving more

* The actual figures are as follows: Twenty-one of California's accredited institutions are comparable to the University of California in their admissions requirements. They increased their weighted average tuition between 1977 and 1988 by $7,316 -- from $3,842 in 1977 to $11,158 in 1988. But the size of a Cal Grant grew by only $2,550 over those 11 years -- from $2,700 to $5,250. This meant that the amount of tuition at those institutions that was covered by a Cal Grant dropped from 71 percent in 1977 to only 47 percent in 1988, while the dollar difference between their grant and the tuition that students had to make up was only $1,142 in 1977 but a full $5,908 in 1988. At the University of California, annual fees rose during that same period from an average of $706 to $1,600

students is about $7,200 per student at the University -- considerably less than the cost if the State needed to build additional capital facilities to accommodate those students. However, the only way to ensure savings from this proposal is for the State to impose enrollment limitations at the university, which is counter to the Master Plan's goals. In summary, in the absence of enrollment limitations, this proposal may not save the State money, but it does enable the State to accommodate more students without spending more on capital outlay. It is a cost effective approach for the State to provide access to higher education during a period of projected enrollment growth.

Little solid information exists on the number of students who would choose to attend an independent institution rather than the University of California, if the maximum Cal Grant award were increased. The Commission had previously speculated that increasing the maximum Cal Grant award would encourage as many as 6,000 more students to enroll at the independent institutions than at the University, although that is only an estimate. Furthermore, if this proposal were enacted anytime after April of this year, a majority of students will have already made their enrollment decisions, and consequently this proposal would serve principally in the 1992-93 year only to increase the maximum award for Cal Grant recipients who had already decided to attend independent institutions in Fall 1992, and would likely have little effect on encouraging students to attend independent institutions rather than the University this coming year.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission directed staff to continue to analyze this option in the coming months as part of its on-going study on the future financing of California higher education.

Changing the Method for Calculating Faculty Salary Parity for the University of California

The proposed option

The Office of the Legislative Analyst suggests weighting equally the number of faculty at each comparison institution that the University of California uses for calculating faculty salary parity.

Background on the option

In its methodology for calculating faculty salary parity at the University of California, the Commission assigns equal weight to each of the University's comparison institutions regardless of its size. In other words, each institution carries the same "weight" as all the others. In contrast, the Commission weights each comparison institution of the State University based on its number of faculty. Thus, larger institutions have a more significant impact on the State University's parity figure in that the salaries paid to the faculty at these institutions contribute a higher amount proportionately to its parity calculation.

With the exception of the Legislative Analyst, All members of the Commission's advisory committee on salary methodology, which consists of representatives from the Department of Finance, the Office of the Legislative Analyst, the State University, and the University have agreed that the State University's methodology is inappropriate for the University, despite the fact that a weighting methodology would more accurately reflect the salaries paid to the total market of faculty used in the comparison. The reasons offered for fees below are:

- First, the public institutions in the University's comparison group are on average much larger than the private ones -- enough so that weighting salaries by their number of faculty would substantially reduce the influence of the private institutions.
- Second, there is no evidence from data on the preceding and subsequent appointments of the University's faculty that it exchanges more faculty with public institutions than with private institutions. Accordingly, one cannot conclude that large-size public institutions should have a more prominent role than private institutions in the University's recruiting market.

- Third, the University of California has long hired faculty on what is known as the "star system," which is designed to recruit and retain the most eminent scholars in each discipline. Institutional size has little to do with the success or failure to recruit a particular "star." Thus, a case can be made that Yale, with only 652 faculty, is as strong a competitor for a particular individual as is the University of Illinois with 1,856 faculty. Because of this near equality in recruiting ability, most members of the Commission's faculty salary advisory committee (except for the Legislative Analyst's Office), agree that it is prudent to accord the salaries of faculty at Harvard, Stanford, Yale and MIT the same weight as those at SUNY Buffalo and the Universities of Illinois, Michigan, and Virginia.

Thus, while the Commission has long been aware of the Legislative Analyst's concern that both segments' methodologies should be comparable, it has agreed with its advisory committee to approve and implement the different weighting methodologies.

Potential impact of the option

The proposed change in the methodology for weighting comparison institution faculty salaries for the University would have significant budget implications in the long run, but no impact on the proposed 1992-93 budget. The non-weighted parity calculation of 6.72 percent for 1992-93 under the present methodology would be reduced by 1.65 percent, thus yielding a 5.07 percent weighted parity figure. This would save the State approximately $17 million if it were to fully fund the University's faculty salaries so as to achieve parity with its comparison institutions.

The Governor's Budget for 1992-93 has proposed that eligible University faculty receive merit salary increases for both the 1991-92 and 1992-93 academic years. If his budget is enacted, the University faculty would, on average, receive a 3.5 percent increase in their 1992-93 salaries toward the parity amount. Based on his budget, under the current non-weighting methodology, University faculty salaries would lag the average salary paid to the comparison institutions' faculty by about 3.2 percent; however, under the proposed weighting methodology, they would lag the average by only 1.5 percent.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission directed staff to continue to analyze this option in the coming months as part of its on-going study on the future financing of California higher education. Specifically, it suggestged that staff reconvene the Commission's advisory committee on salary methodology to discuss the merits of this proposal.

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Saving Capital Costs Through Year-Round Operation

The proposed option

California's public universities should offer State-supported summer programs to encourage students to complete their degree programs more quickly and thereby save State funds that would otherwise be required for capital expansion.

Background on the option

Educators have long tried to ensure full use of facilities through year-round programming. California's Master Plan for Higher Education advocates year-round operation, and during the 1960s, both the University of California's Regents and the California State University's Trustees adopted policies encouraging it. The major stumbling block is that students are reluctant or unable to attend year-round.

Currently, all campuses of the California State University and the University of California offer at least some year-round programs, but only four CSU campuses -- Los Angeles, San Luis Obispo, Pomona, and Hayward -- offer State-supported summer instruction. Everywhere else, students must pay the full cost of summer courses.

Potential impact of the option

Available analyses of the economics of year-round operations indicate that year-round operation results in a net *cost* to the State if enrollment in the summer quarter is not almost as high as enrollments in the other three terms. These studies, based both in California and throughout the nation, indicate the following:

1. Year-round operation tends to work best -- in terms of enrolling more students -- at urban, commuter-oriented campuses rather than at rural, residential campuses. In general, this means that it is likely to be most successful on more State University campuses than on University of California campuses, and on more commuter campuses than on residential campuses.

2. Actual summer-quarter enrollments in California during the 1960s and 1970s never met their projections, and as a result, the operating costs of some summer

sessions in California were nearly three times higher than those of other quarters.

3. Many student aid programs have ceilings on the amount of aid students can receive in a year. Adding a term of attendance without expanding these ceilings means additional student costs without increased aid.
4. Students who enroll year round lose opportunities for summer employment which, in many cases, may be essential as a source of income to pay student expenses during the rest of the year. Students also report that year-round attendance is considerably more stressful for them than two-semester or three-quarter enrollment.
5. Year-round operation would disrupt current campus plant maintenance schedules and have deleterious consequences for maintaining the entire physical plant. Costs would rise, even without new space, since expanded use of the current physical plant would incur higher utility bills and create additional wear and tear, requiring more frequent maintenance and replacement of major equipment.

Overall, year-round operation can lead to some capital outlay savings only if summer term enrollments equal those throughout the rest of the year, but California's history with year-round operations indicates that not enough students will enroll in the summer quarter for savings to occur, unless they are required to attend the summer quarter.

Any savings from year-round operation come only from the capital outlay budget -- not the operating budget -- and year-round operation makes operating budgets increase. Although the savings in capital outlay may possibly outweigh these operating costs, this trade-off is not direct, since the capital outlay budget is generally supported through bond sales while operating budgets are financed directly through appropriations of taxes. The political costs of increasing the operating budget may outweigh the real savings to taxpayers of a long-term reduction in capital outlay costs.

In summary, some year-round operations deserve operating-budget support because of their educational advantages for certain programs, campuses, and students, but the State cannot expect significant capital outlay savings without making summer-quarter enrollment mandatory. As more public K-12 schools move to year-round operations, more students entering postsecondary institutions are likely to be more receptive to year-round enrollment.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission directed staff to continue to analyze this option in the coming months as part of its on-going study on the future financing of California higher education.

Easing Reporting Requirements and Regulations

The proposed option

In order to reduce operating costs, the maze of State regulations and reporting requirements with which California's public colleges and universities must comply should be simplified and consolidated.

Background on the option

AB 1808 (Hayden, Chapter 741, Statutes of 1991) directs the University of California, the California State University, and the California Community Colleges to each prepare a list of reports required to be submitted on a regular basis to the Legislature and to State agencies They are to identify the purpose of each report as well as the costs associated with its production. They are to submit this information to the Legislature, the Department of Finance, and the California Postsecondary Education Commission prior to March 1, 1992. CPEC has the responsibility to review and comment on the utility of the required reports identified by the three systems and offer recommendations for consolidating or eliminating existing reporting requirements in order to reduce operating expenses and streamline reporting provisions. Thus far the Commision has not received the required information from the colleges and universities.

Potential impact of the option

While the Commission has not yet received the expected reports from the systemwide offices, it anticipates that many of their currently mandated reports could be produced by the Commission from its existing database rather than be required of each system. The Commission also anticipates that, if its database was supplemented by additional data elements in essential areas, much of the reporting relating to educational issues from the three systems to State agencies other than to the Commission could be eliminated. The Commission would then be in a better position to satisfy the reporting needs of the Legislature and the State.

Potential fiscal effect

No specific dollar amount in savings from the proposal can currently be identified, but after the Commission receives the systemwide reports, a dollar figure can be estimated. While some of this potential saving would need to be spent to provide for the expansion of the Commission's higher education database, it appears that substantial savings to the systems and the State could be realized by the proposal.

Comments, concerns, positions

California Postsecondary Education Commission: The Commission directed staff to continue to analyze this option in the coming months as part of its on-going study on the future financing of California higher education.

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature

Members of the Commission

The Commission consists of 17 members Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly Six others represent the major segments of postsecondary education in California Two student members are appointed by the Governor

As of February 1995, the Commissioners representing the general public are

Henry Der, San Francisco, *Chair*
C Thomas Dean, Long Beach
Elaine Alquist, Santa Clara
Mim Andelson, Los Angeles
Jeffrey I Marston, San Diego
Guillermo Rodriguez, Jr , San Francisco, *Vice Chair*
Melinda G Wilson, Torrance
Linda J Wong, Los Angeles
Ellen F Wright, Saratoga

Representatives of the segments are

Roy T Brophy, Fair Oaks, appointed by the Regents of the University of California,

Yvonne W Larsen, San Diego, appointed by the California State Board of Education,

Alice Petrossian, Glendale, appointed by the Board of Governors of the California Community Colleges,

Ted J Saenger, San Francisco, appointed by the Trustees of the California State University, and

Kyhl Smeby, Pasadena, appointed by the Governor to represent California's independent colleges and universities, and

vacant, representing the Council for Private Postsecondary and Vocational Education

The two student representatives are

Stephen Lesher, Meadow Vista
Beverly A Sandeen, Costa Mesa

Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs "

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools

As an advisory body to the Legislature and Governor, the Commission does not govern or administer any institutions, nor does it approve, authorize, or accredit any of them Instead, it performs its specific duties of planning, evaluation, and coordination by cooperating with other State agencies and non-governmental groups that perform those other governing, administrative, and assessment functions

Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California By law, its meetings are open to the public Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Warren Halsey Fox, Ph D , who is appointed by the Commission

Further information about the Commission and its publications may be obtained from the Commission offices at 1303 J Street, Suite 500, Sacramento, California 98514-2938, telephone (916) 445-7933 or Calnet 485-7933, FAX (916) 327-4417

Analyses of Options and Alternatives for California Public Higher Eduction

California Postsecondary Education Commission Report 92-7

ONE of a series of reports published by the Commission as part of its planning and coordinating responsibilities. Additional copies may be obtained without charge from the Publications Office, California Postsecondary Education Commission, Third Floor, 1020 Twelfth Street, Sacramento, California 95814-3985

Recent reports of the Commission include

91-13 California's Capacity to Prepare Registered Nurses: A Preliminary Inquiry Prepared for the Legislature in Response to Assembly Bill 1055 (Chapter 924, Statutes of 1990) (September 1991)

91-14 Supplemental Report on Academic Salaries, 1990-91: A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No 51 (1965) and Supplemental Language to the 1979, 1981, and 1990 Budget Acts (September 1991)

91-15 Approval of Las Positas College in Livermore. A Report to the Governor and Legislature on the Development of Las Positas College -- Formerly the Livermore Education Center of Chabot College (September 1991)

91-16 Update on Long-Range Planning Activities: Report of the Executive Director, September 16, 1991 (September 1991)

91-17 The Role, Structure, and Operation of the Commission: A Preliminary Response to Senate Bill 2374 (October 1991)

91-18 1991-92 Plan of Work for the California Postsecondary Education Commission: Major Studies and Other Commission Activities (October 1991)

91-19 Reauthorization of the Higher Education Act of 1965 as Amended A Report to California's Congressional Delegation Summarizing Consensus in California's Higher Education Community Regarding Proposed Revisions of the Act (December 1991)

91-20 Student Fees, Access, and Quality Prospects and Issues for the 1992-93 Budget Process (December 1991)

91-21 Legislative and State Budget Priorities of the Commission, 1992: A Report of the California Postsecondary Education Commission (December 1991)

91-22 Proposed Construction of the Western Nevada County Center, Sierra Joint Community College District: A Report to the Governor and Legislature in Response to a Request for Capital Funds for a Permanent Off-Campus Center in the Grass Valley/Nevada City Area (December 1991)

92-1 Final Report on the Effectiveness of Intersegmental Student Preparation Programs: The Third Report to the Legislature in Response to Item 6420-0011-001 of the 1988-89 Budget Act (January 1992)

92-2 Assessing Campus Climate Feasibility of Developing an Educational Equity Assessment System (January 1992)

92-3 California's Joint Doctoral Programs: A Report on Doctoral Programs Offered by Campuses of the California State University with Campuses of the University of California and the Claremont Graduate School (January 1992)

92-4 Prospects for Long-Range Capital Planning in California Public Higher Education: A Preliminary Review A Staff Report to the California Postsecondary Education Commission (January 1992)

92-5 Current Methods and Future Prospects for Funding California Public Higher Education: The First in A Series of Reports on Funding California's Colleges and Universities into the Twenty-First Century (March 1992)

92-6 Commission Comments on the Systems' Preliminary Funding Gap Reports: A Report to the Legislature and the Governor in Response to Supplemental Report Language of the 1991 Budget Act (March 1992)

92-7 Analyses of Options and Alternatives for California Higher Education Comments by the Staff of the California Postsecondary Education Commission on Current Proposals for Change in California's Public Colleges and Universities (March 1992)

92-8 Faculty Salaries in California's Public Universities, 1992-93. A Report to the Legislature and Governor in Response to Senate Concurrent Resolution No 51 (1965) (March 1992)

92-9 Fiscal Profiles, 1992: The Second in a Series of Handbooks about the Financing of California Postsecondary Education (March 1992)

92-10 Student Profiles, 1992: The Second in a Series of Annual Factbooks About Student Participation in California Higher Education (March 1992)

92-11 Meeting the Educational Needs of the New Californians: A Report to Governor Wilson and the California Legislature in Response to Assembly Concurrent Resolution 128 (1990) (March 1992)

92-12 Analysis of the 1992-93 Governor's Budget: A Staff Report to the California Postsecondary Education Commission (March 1992)